

Iowa Tax NEWS

The quarterly newsletter of the Iowa Department of Revenue and Finance

Hoop buildings may be taxable

Hoop buildings that are attached to permanent foundations become real property and are treated as building materials. This means that a contractor or a farmer pays sales tax to the seller when purchasing the hoop building. A contractor then usually builds in the sales tax expense as a cost of materials on the invoice to their customer. Farmers cannot request a refund

of this sales tax – whether they hire a contractor or buy the materials themselves – because hoop buildings are not exempt from tax when permanently affixed to a foundation.

If the hoop building is portable and is directly used in livestock, dairy or commercial greenhouse production, it is exempt from sales tax.

The Iowa Package X: Do you use it?

Does your business order the Iowa Package X of reproducible forms? Do you use it or just throw it away at the end of the year? If you toss it, please let us know. Each Package X costs more than \$6 to print and mail.

All our forms are available on our

website and on the Tax Fax system. They are the most current versions and are available sooner than the Package X. Please consider canceling your Package X order. Call 515/242-6226 or fax 515/242-6487 or email iadrf@iadrf.e-mail.com

13 jurisdictions adopt "regular" local option tax

Voters in the 13 jurisdictions below have elected to impose the 1 percent local option sales tax effective October 1, 1999.

County and county codes are listed in bold.

Grundy/38 – Morrison, Stout, Unincorporated Area

Jones/53 – Unincorporated Area

Kossuth/55 – Unincorporated Area

Winnebago/95 – Buffalo Center, Forest City, Lake Mills, Leland, Rake, Scarville, Thompson, Unincorporated Area

A list of all current local option sales tax and school infrastructure local option tax

jurisdictions is included on pages 3 and 4 of this newsletter. Alphabetical lists by city and county – along with a local option tax map – are available on the department's website at:

<http://www.state.ia.us/tax>

Two counties adopt school local option tax

Black Hawk County and Monona County voters have elected to impose the county-wide school infrastructure local option tax effective October 1, 1999, at a rate of 1 percent.

DEPARTMENT SERVICES

ONLINE

Internet Address (URL)

<http://www.state.ia.us/tax>

E-mail

iadrf@iadrf.e-mail.com

BY TELEPHONE

Taxpayer Services

from Des Moines
or out of state,

(515) 281-3114

from elsewhere in Iowa or Rock
Island-Moline or Omaha

1-800-367-3388

To Order Iowa Tax Forms

(515) 281-7239 or
1-800-532-1531

"Where's My Refund?"

(515) 281-4966 or
1-800-572-3944

BY FAX

*Receive Iowa Tax Forms through
department's Tax-Fax System*

1-800-572-3943

Taxpayer Services Fax Number

(515) 242-6487

Iowa capital gains deduction changes

Beginning January 1, 1998, two changes occurred regarding the Iowa capital gains deduction:

(1) The deduction was increased to 100% of qualifying capital gains, and

(2) The eligibility requirements for an individual who sells to a lineal descendent were changed.

The term "lineal descendent" means children of the taxpayer, including legally adopted children and biological children,

stepchildren, grandchildren, great-grandchildren and any other lineal descendants of the taxpayer.

The eligibility requirements are lengthy. Please refer to page 9 of the 1998 IA1040 long form instructions for detailed information. These may be found on our website.

Also note that Schedule IA 100 is no longer used to calculate the Iowa Capital Gains Deduction.

Mini-storage is taxable

Businesses that rent mini-storage space must be registered to collect Iowa sales tax. If tax is included in the price of the storage fee, the invoice must state that. To calculate the amount of "Gross Sales" to be reported on line 1 of the sales tax quarterly return, the business then "backs out" the tax by dividing the total receipts by 1.05 (state rate only), 1.06 (state rate plus one local option tax at 1%), 1.07 (state rate plus two local option taxes at 1% each), or, in the case of Webster County, 1.055 (state rate plus 1/2% local option).

If you know of any business not collecting Iowa tax when it should be, contact our agency. We will help them register and pay back taxes.

Rounding calculations on the local option return

Two quarters ago, zeroes were added in the cents column of the local option schedule on the back of the sales tax quarterly return. All calculations on that schedule must be rounded to the nearest whole dollar. Amounts 50 cents and more are to be rounded up. Amounts 49 cents or less are to be rounded down.

Classes about Iowa taxes

Dozens of classes about Iowa taxes are held statewide each fall. These are taught by tax specialists from our department and typically held at community colleges for a small fee. To obtain a list, go to our website or call Tax Fax and enter 78584.

Employers: Do you hire students who earn less...

...than \$4,000 each year? If so, they are probably exempt from Iowa income tax. Save yourself and them time and money: Advise them to check "exempt" on their W-4s and do not withhold Iowa tax. Students will have their entire income up front; they will not need to file for a refund. In fact, they will not file at all if they gross less than \$4,000.

IOWA "REGULAR" LOCAL OPTION SALES TAX JURISDICTIONS

All jurisdictions listed have imposed the regular local option tax at a rate of 1 percent effective for the quarter beginning October 1, 1999.

* Indicates the county also has the school local option tax

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Allamakee / 03	Harpers Ferry, Postville, Waterville	1-1-95
	Waukon	1-1-96
	Lansing, New Albin	7-1-96
	Unincorporated Area	10-1-97
Appanoose / 04	Mystic, Plano	7-1-99
Audubon / 05	Brayton, Gray	1-1-99
Black Hawk / 07 *	Cedar Falls, Elk Run Heights, Evansdale, Hudson, Raymond, Waterloo	4-1-91
	Dunkerton, Gilbertville, Janesville, La Porte City, Unincorporated Area	10-1-91
Boone / 08	Berkley, Luther, Pilot Mound	4-1-89
	Boone	7-1-90
	Boxholm, Ogden, Sheldahl, Unincorporated Area	1-1-91
	Madrid	7-1-91
	Fraser	1-1-92
	Beaver	1-1-95
Bremer / 09	Frederika, Sumner, Tripoli	4-1-98
Buchanan / 10	Aurora, Lamont, Stanley	10-1-95
	Fairbank, Hazleton, Jesup, Winthrop	10-1-98
Buena Vista / 11	Albert City, Linn Grove, Marathon, Newell, Sioux Rapids, Truesdale	7-1-91
	Alta, Lakeside, Rembrandt, Storm Lake, Unincorporated Area	10-1-95
Butler / 12	Allison, Aplington, Aredale, Bristow, Dumont, Greene, New Hartford, Parkersburg	1-1-97
Cass / 15	Anita, Cumberland, Griswold, Lewis, Marne, Massena, Wiota	1-1-97
	Atlantic, Unincorporated Area	10-1-97
Cerro Gordo / 17	Clear Lake, Dougherty, Mason City, Meservey, Plymouth, Rock Falls, Rockwell, Swaledale, Thornton, Ventura	7-1-92
	Unincorporated Area	1-1-93
Cherokee / 18	Aurelia, Cleghorn, Larrabee, Marcus, Meriden, Washta	7-1-96
	Quimby	1-1-98
Chickasaw / 19	Alta Vista, Bassett, Fredericksburg, Ionia, Lawler, Nashua, New Hampton, North Washington, Unincorporated Area	4-1-97
Clay / 21	Dickens, Everly, Fostoria, Gillett Grove, Greenville, Peterson, Rossie, Royal, Spencer, Webb, Unincorporated Area	1-1-99
Clayton / 22	McGregor	1-1-90
	Elkader, Garnavillo, Luana, Millville, Marquette, Saint Olaf	4-1-94
	Elkport, Farmersburg, Garber, Guttenberg, Littleport, Monona, Volga	10-1-94
	Edgewood, North Buena Vista, Strawberry Point, Unincorporated Area	10-1-95
Clinton / 23	Andover, Calamus, Camanche, Clinton, Delmar, De Witt, Goose Lake, Grand Mound, Low Moor, Toronto, Welton, Wheatland	10-1-89
	Charlotte, Lost Nation, Unincorporated Area	1-1-90
Crawford / 24	Arion, Aspinwall, Buck Grove, Charter Oak, Deloit, Denison, Dow City, Kiron, Manilla, Ricketts, Schleswig, Vail, Westside, Unincorporated Area	1-1-99
Dallas / 25	Bouton, Minburn, Perry, Redfield	1-1-99

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Decatur / 27	Davis City, Decatur, Garden Grove, Grand River, Lamoni, Leroy, Pleasanton, Van Wert	1-1-97
Delaware / 28	Colesburg, Delaware, Delhi, Earlville, Greeley, Manchester, Masonville	10-1-94
	Dundee, Dyersville, Hopkinton, Ryan, Unincorporated Area	4-1-95
	Edgewood	4-1-96
Des Moines / 29 *	Burlington, Danville, Middletown, West Burlington	10-1-94
	Mediapolis, Unincorporated Area	4-1-95
Dickinson / 30	Lake Park, Okoboji, Orleans, Spirit Lake, Superior, Terril	4-1-97
	Arnolds Park, Milford, Wahpeton, West Okoboji, Unincorporated Area	1-1-98
Dubuque / 31	Asbury, Balltown, Centralia, Dubuque, Holy Cross, Sageville, Zwingle	4-1-88
	Bankston, Bernard, Epworth, Farley, Graf, Peosta, Sherrill, Unincorporated Area	7-1-88
	Cascade, Dyersville, Luxemburg, New Vienna, Rickardsville, Worthington	10-1-89
Emmet / 32 *	Armstrong, Ringsted	1-1-98
Fayette / 33	Arlington, Clermont, Elgin, Hawkeye, Maynard, Oelwein, Randalia, St. Lucas, Wadena, Waucoma, Westgate	1-1-95
	Fayette, West Union, Unincorporated Area	7-1-95
Floyd / 34	Floyd, Marble Rock, Nora Springs, Rockford, Rudd	10-1-96
	Charles City, Colwell, Unincorporated Area	10-1-97
	Unincorporated Area	10-1-98
Franklin / 35	Coulter, Dows, Geneva, Hansell, Latimer, Sheffield	10-1-95
	Hampton, Popejoy, Unincorporated Area	10-1-96
Fremont / 36	Farragut, Hamburg, Imogene, Randolph, Riverton, Shenandoah, Sidney, Tabor, Thurman, Unincorporated Area	1-1-96
Grundy / 38	Beaman, Dike, Grundy Center, Holland, Wellsburg	1-1-99
	Morrison, Stout, Unincorporated Area	10-1-99
Hancock / 41	Corwith, Crystal Lake, Garner, Goodell, Kanawha, Klemme, Woden	1-1-96
	Britt, Unincorporated Area	1-1-97
	Unincorporated Area	7-1-98
Hardin / 42	Alden, Buckeye, Eldora, Hubbard, Iowa Falls, Radcliffe, Steamboat Rock, Unincorporated Area	4-1-96
	Ackley, New Providence, Owasa, Union, Whitten	1-1-97
Harrison / 43	Dunlap, Little Sioux, Mondamin, Persia, Pisgah	10-1-97
	Logan, Magnolia, Missouri Valley, Modale, Woodbine	10-1-98
Henry / 44	Coppock, Hillsboro, Mount Pleasant, Mount Union, New London, Olds, Rome, Salem, Westwood, Winfield	10-1-95
	Wayland, Unincorporated Area	1-1-96
Howard / 45	Chester, Cresco, Lime Springs, Protivin	1-1-94
	Elma, Unincorporated Area	7-1-94
	Riceville	1-1-95

Local Option Sales Tax List continued from page 3

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Ida / 47	Galva	4-1-97
Iowa / 48	Ladora, North English, Parnell, Williamsburg	4-1-94
	Marengo, Millersburg, Victor, Unincorporated Area	4-1-95
Jackson / 49	Baldwin, La Motte, Miles, Preston, Sabula, Saint Donatus, Spragueville, Springbrook	10-1-89
	Bellevue, Zwingle	4-1-91
	Maquoketa, Monmouth	10-1-94
	Andrew, Unincorporated Area	1-1-95
Jefferson / 51	Fairfield, Libertyville, Lockridge, Packwood	4-1-99
Jones / 53	Cascade, Center Junction, Morley, Olin, Onslow, Oxford Junction	4-1-95
	Monticello, Wyoming	1-1-96
	Anamosa	1-1-99
	Unincorporated Area	10-1-99
Kossuth / 55	Algona, Bancroft, Burt, Fenton, Lakota, Ledyard, Lone Rock, LuVerne, Swea City, Titonka, Wesley, West Bend, Whittemore	7-1-99
	Unincorporated Area	10-1-99
Lee / 56	Fort Madison, Franklin, Keokuk, Montrose	10-1-91
	St. Paul	1-1-93
	Donnellson, Houghton, West Point, Unincorporated Area	1-1-95
Linn / 57	Bertram	1-1-86
	Prairieburg	10-1-98
Lucas / 59	Chariton, Derby, Lucas, Russell, Williamson	4-1-98
Lyon / 60	Alvord, Doon, George, Inwood, Lester, Little Rock, Rock Rapids, Unincorporated Area	10-1-96
Mahaska / 62	Barnes City, Beacon, Fremont, Keomah Village, Leighton, New Sharon, Oskaloosa, Rose Hill, University Park, Unincorporated Area	4-1-95
	Eddyville	10-1-95
Marshall / 64	Liscomb	1-1-97
Mills / 65	Emerson, Henderson, Malvern, Tabor	1-1-96
Mitchell / 66	Carpenter, Mitchell, Orchard, Osage, Riceville, St. Ansgar, Stacyville	1-1-95
	McIntire, Unincorporated Area	7-1-95
Monona / 67 *	Blencoe, Castana, Mapleton, Moorhead, Onawa, Rodney, Soldier, Turin, Ute, Whiting, Unincorporated Area	7-1-90
Montgomery / 69	Coburg, Elliott, Stanton, Villisca	1-1-96
	Grant	4-1-96
	Red Oak, Unincorporated Area	4-1-99
Muscatine / 70	Atalissa, Conesville, Fruitland, Muscatine, Stockton, Wilton	7-1-94
	Nichols, Unincorporated Area	1-1-95
	West Liberty	7-1-95
O'Brien / 71	Archer, Calumet, Paullina, Primghar, Sanborn, Sheldon, Sutherland, Unincorporated Area	1-1-96
	Hartley	7-1-98
Page / 73	Blanchard, Braddyville, Coin, College Springs, Essex, Shambaugh, Shenandoah, Yorktown	1-1-96
	Clarinda, Hepburn, Northboro, Unincorporated Area	7-1-96

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Plymouth / 75	Hinton, Kingsley, Merrill, Oyens, Struble, Westfield	10-1-98
Polk / 77	Polk City	1-1-86
	Sheldahl	7-1-87
Pottawattamie / 78	Macedonia, Minden	1-1-89
	Council Bluffs	4-1-90
	Avoca, Carson, Carter Lake, Crescent, Hancock, McClelland, Neola, Oakland, Treynor, Underwood, Walnut	1-1-95
	Unincorporated Area	4-1-95
Scott / 82 *	Bettendorf, Blue Grass, Buffalo, Davenport, Dixon, Donahue, Eldridge, LeClaire, Long Grove, Maysville, McCausland, New Liberty, Panorama Park, Princeton, Walcott, Riverdale, Unincorporated Area	1-1-89
	Durant	4-1-97
Shelby / 83 *	Defiance, Earling, Elk Horn, Irwin, Portsmouth, Shelby, Tennant, Westphalia	1-1-98
	Kirkman	1-1-99
Sioux / 84	Alton, Boyden, Chatsworth, Granville, Hawarden, Hull, Ireton, Matlock, Maurice, Orange City, Sioux Center, Unincorporated Area	10-1-95
	Hospers, Rock Valley, Sheldon	7-1-96
Story / 85	Ames, Huxley	1-1-87
	Cambridge, Collins, Colo, Gilbert, Kelley, McCallsburg, Roland, Sheldahl, Slater, Unincorporated Area	7-1-87
	Nevada, Maxwell, Zearing	1-1-89
	Story City	10-1-90
Wapello / 90	Agency, Blakesburg, Eddyville, Eldon, Kirkville, Ottumwa, Unincorporated Area	7-1-98
Winnebago / 95	Buffalo Center, Forest City, Lake Mills, Leland, Rake, Scarville, Thompson, Unincorporated Area	10-1-99
Winneshek / 96	Decorah	4-1-91
	Calmar, Castalia, Fort Atkinson, Jackson Junction, Ossian, Ridgeway, Spillville, Unincorporated Area	7-1-91
Woodbury / 97 *	Bronson, Cushing, Moville, Oto, Salix, Sergeant Bluff, Sioux City, Sloan	1-1-87
	Anthon, Correctionville, Danbury, Hornick, Lawton, Pierson, Smithland, Unincorporated Area	10-1-88
Worth / 98	Fertile, Grafton, Hanlontown, Joice, Kensett, Manly, Northwood	1-1-97
	Unincorporated Area	7-1-97

* Indicates the county also has the school local option tax

School Infrastructure Local Option Jurisdictions (additional countywide tax)

Black Hawk County / 07	effective 10-1-99	1%
Des Moines County / 29	effective 4-1-99	1%
Emmet County / 32	effective 7-1-99	1%
Monona / 67	effective 10-1-99	1%
Scott County / 82	effective 7-1-99	1%
Shelby County / 83	effective 1-1-99	1%
Webster County / 94	effective 7-1-99	0.5%
Woodbury County / 97	effective 10-1-98	1%